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ABSTRACT

This ERIC digest summarizes recent studies on poverty in rural areas. In 1986, the poverty rate in rural areas was 50 percent higher than the urban rate. During the 1980s, rural poverty stayed higher, rising more rapidly during recession, and falling more slowly in the "recovery" period. Characteristics that distinguish the rural poor from the urban poor are: (1) the rural poor are more likely than the urban poor to work, but low wages keep them in poverty; (2) the majority of poor rural families are two-parent families, whereas the poor urban family is typically headed by a single parent; and (3) a much larger portion of the rural poor are whites than in urban areas. Some analysts believe poverty is more a function of history and economic structure than of individual or group characteristics. The rural economy is characterized by dependence on natural resources, a narrow industrial base in a given locale, and emphasis on low skill labor. Other analysts believe lack of human capital is a major cause of rural poverty, and blame an educationally disadvantaged labor force. However, the largest poverty gap between urban and rural populations is among those with more education, and the smallest among high school dropouts. As a potential influence on the well-being of individual student from poor families, education is clearly important. On the other hand, the role of education in changing the structural features of rural poverty is clearly limited. (KS)

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ERIC DIGEST

Clearinghouse on Rural Education and Small Schools May 1991

Recent Trends in Rural Poverty: A Summary for Educators

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INTENDED PRIMARILY for educators and policymakers, this Digest summarizes recent information about poverty in rural areas. The discussion considers the recent growth in rural poverty and presents a profile of the rural poor. It also reports evidence about possible causes of rural poverty and interprets possible meanings for teachers and administrators.

Discussion is based on the distinction between metropolitan (urban) and nonmetropolitan (rural) areas. Briefly, metropolitan areas are closely integrated (by economic relations, communication, and transportation links) with central cities of at least 50,000 residents. Nonmetropolitan areas comprise everything else. The advantage of this definition is that it is commonly used by the U.S. Bureau of the Census.

Trends in rural poverty

Although poverty is a historical fact of life in many rural areas in America, by 1973 rural poverty seemed to be decreasing (Deavers & Brown, 1985). Many observers predicted better times. Nonetheless, throughout the decade, the most chronically poor counties in the nation continued to be located in nonmetropolitan areas (Deavers & Brown, 1985). In the 1980s hopes for better times dimmed. Studies showed that rising poverty and population loss were once again general features of rural life.

By 1986, the poverty rate in rural areas was 50 percent higher than the urban rate—18 percent versus 12 percent (O'Hare, 1988). In fact, the poverty rate for all nonmetro counties nearly equalled the poverty rate for *central cities* (18.6%), where urban poverty is most notable (O'Hare, 1988; Porter, 1989).

Rural poverty in the 1980s also seemed to be more deep-seated than urban poverty. It stayed higher, rose more rapidly during recession, and fell more slowly in the "recovery" period (O'Hare, 1988). Displaced rural workers were unemployed more than 50 percent longer than urban workers. When they returned to work, they were more likely than urban workers to take pay cuts and to lose insurance benefits (Podgursky, 1989). Rural residents were also prone to other conditions associated with poverty: malnutrition, substandard housing, poor health, and high rates of disabilities (Lazere, Leonard, & Kravitz, 1989; Shotland, 1988).

A profile of the rural poor

Recent analyses report characteristics that distinguish the rural poor from the urban poor (O'Hare, 1988; Porter, 1989; Shapiro, 1989; Shotland, 1988; Tickamyer & Tickamyer, 1987). These characteristics include, among others, employment status, family structure, and race.

Working but poor. In 1986, 62 percent of rural poor adults aged 18 to 44 worked at least parttime. Their earnings, however, remained under the poverty line (O'Hare, 1988). A recent national report based on 1987 data (Shapiro, 1989) noted some key facts:

(1) Almost three of every four nonmetro poor family heads who were not disabled or retired worked for all or part of the year.

(2) Nearly one of every four nonmetro poor family heads who were not disabled or retired worked fulltime, year-round.

(3) About two of every three rural poor lived in a household where at least one household member worked during that year.

(4) A large number of the rural poor looked for jobs but could not find them.

(5) More rural poor family heads (including both two-parent and single-parent families) worked in 1987 in comparison to metro poor family heads.

The result is that a family with working parent(s) is about *twice* as likely to be poor in nonmetro as in metro areas. This relationship holds across all races and types of work (Shapiro, 1989). Despite their difficulty in finding work, the rural poor are *more likely* than the urban poor actually to work. Their wage levels, however, keep their families in poverty.

Two-parent households. In urban areas, the poor family is typically headed by a single parent (usually a woman). This pattern is, however, not typical among the rural poor. The majority (about 62%) of poor rural families are two-parent families. In these families, moreover, it is not unusual for *both* parents to work. Rural poor families that depend *entirely* on earned income (that is, families without public assistance or other nonwage income) are, unfortunately, the poorest (Shapiro, 1989).

Racial composition. The rural poor also differ racially from their urban counterparts. A much larger portion of the rural poor are whites than in urban areas. In rural areas, 71 percent of the poor are whites, whereas in central cities, 54 percent are whites (Porter, 1989). Racial minorities in rural areas, however, suffer more severely from poverty than their urban counterparts (O'Hare, 1988; Porter, 1989; Shapiro, 1989). Porter, for example, reports that 44 percent of rural blacks were poor in 1987, in comparison to 33 percent of urban blacks.

What causes rural poverty?

Some analysts believe that poverty—wherever it is found—is more a function of history and economic structure than of individual or group characteristics (for example, Tickamyer & Tickamyer, 1987). Studies of rural economies tend to support this view.

The rural economy is, in general, characterized by a number of features (Deavers & Brown, 1985; O'Hare, 1988). They include:

- dependence on natural resources,

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- a narrow industrial base in a given locale, and
- emphasis on low-skill labor.

In fact, agriculture is no longer the largest employer in rural areas. Routine manufacturing industries now tend to be the largest employers (for example, plants that process raw materials, light assembly plants, and branch plants of national firms).

These developments pose two problems. First, specialization makes rural economies less "elastic" than urban economies. This means that rural areas tend to suffer more from recession and benefit less from recovery than urban areas (Deavers & Brown, 1985; O'Hare, 1988). Second, because routine manufacturing is based on low-skill labor, manufacturers are tempted to leave rural areas for foreign countries, where wage rates are much lower (Deavers & Brown, 1985; O'Hare, 1988).

Structural conditions also affect the responses of individuals in two ways not reflected in official unemployment rates. First, displaced workers may cease to look for work. Second, they may accept parttime work in lieu of fulltime work. These trends are, according to Shapiro (1989), major contributors to recent increases in rural poverty. Shapiro suggests that a long-term trend of declining employment prospects may have already begun in rural America. Reid (1990) reports that the major limit to rural economic growth is *lack of demand* for a highly educated work force, not a *shortage of workers* to fill existing jobs.

When growth does come to rural communities, however, its benefits to the poor are questionable. Most new jobs are low-paying or minimum-wage jobs (Reid, 1990). Further, rural workers in service occupations have the highest poverty rates. This is a vexing fact, since the service industry is the part of the rural economy most likely to grow in the future (O'Hare, 1988).

The role of education

Some analysts believe lack of human capital is a major cause of rural poverty (Summers, Bloomquist, Hirschl, & Shaffer, 1986). An educationally disadvantaged labor force in rural communities is likely neither to attract outside investment nor to launch new economic development efforts of its own.

Amount of education, however, cannot alone account for the difference in poverty rates between urban and rural areas. Although differences in rural and urban high school graduation rates have narrowed over the last decade, the poverty gap has grown larger (Reid, 1990; Shapiro, 1989). In fact, the *largest* poverty gap between urban and rural populations is among those with more education, and the *smallest* is among high school dropouts (O'Hare, 1988; Shapiro, 1989). This situation is an incentive for the better educated to leave rural areas. Migration from rural areas has always been led by the better educated (O'Hare, 1988; Reid, 1990).

In the future, the growing effects of continued poverty may further endanger school improvement efforts in rural areas, for example, by eroding the tax base or demoralizing communities. Many rural schools are *already* struggling to provide adequate services to the current population of economically disadvantaged students.

Alternatives have, however, been proposed, and Reid (1990) speaks for many observers. He believes that rural schools should provide three things. These include better basic instruction to strengthen work force skills, serving as resources for solving local community problems, and participating directly in community development projects. Reid notes, however, that such a mission will require sustained effort to address substantial problems.

Conclusion

Poverty is a condition that puts students at risk of school failure. As a potential influence on the well-being of *individual students* from poor families, education is clearly important (Reid, 1990). On the other hand, the role of education in changing the *structural features* of rural poverty is clearly much more limited. Education is not likely to be a very direct way to remedy poverty in rural areas, though, as in Reid's analysis, a supportive role may be possible.

The analysts cited in this Digest have recommended—in the works cited—concrete changes in federal and state policies to address rural poverty. Implementing some of these recommendations can involve educators in their professional roles, whereas others imply a need for the support of educators as informed private citizens.

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